

Example of Business Activity Report

(Mutation Recapitulation of Purchasing –Selling Transactions of UKA)

	Initial Balance of UKA (A)		Buying (B)			Selling (S)			Final Balance of UKA (D)		
Foreign Curren- cy Type	Total		Total			Total			Total	Medi an Rate	Total
	UKA	Rp	UK A	Rp	USD *)	UKA	Rp	USD *)	UKA		Rp
	(a)	(b)	(c)	(d)	(e) = (c) x Conver sion rate	(f)	(g)	(h) = (f) x Conve rsion rate	(i) = ((a) + (c)) – (f)		(j) = (i) x Media n rate
USD	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
EUR	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
AUD	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
SGD	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
HKD	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Dst.	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
		<u>xxx</u>		<u>Xxx</u>	<u>xxx</u>		<u>xxx</u>	<u>Xxx</u>			<u>xxx</u>

..... ,

signed and company's stamp

Full Name (the Manager)

Notes:

The Mutation Recapitulation of Buying and Selling Transaction of UKA is used to summarize the initial balance, buying, selling or liquidation, and final balance of UKA on the date of the report.

- *) The rate for conversion to USD is from the conversion of each currency in USD based on the median rate from Bank Indonesia transactional rate in every end of the month.

Transactional median rate = Bank Indonesia selling transaction rate + Bank Indonesia buying transaction rate divided by 2.

If the transactional rate is not available in Bank Indonesia list of transactional rate, one shall use Selling rate + Buying rate from the reporting PVA divided by 2.

Example of Business Activity Report

(Mutation Recapitulation of Buying – Liquidating Transactions of TC)

	Initial Balance of TC (A)		Buying (B)			Liquidating(C)			Final Balance of TC (D)		
Foreign Curren- cy Type	Total		Total			Total			Total	Med	Total
	TC	Rp	TC	Rp	USD *)	TC	Rp	USD *)	TC	ian Rate	Rp
	(a)	(b)	(c)	(d)	(e) = (c) x conversi on rate	(f)	(g)	(h) = (f) x conver sion rate	(i) = ((a) + (c)) – (f)		(j) = (i) x media n rate
USD	Xxx	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
EUR	Xxx	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
AUD	Xxx	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
SGD	Xxx	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
HKD	Xxx	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Dst.	Xxx	xxx	xxx	Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
		<u>xxx</u>		<u>Xxx</u>	<u>xxx</u>		<u>Xxx</u>	<u>Xxx</u>			<u>xxx</u>

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signed and company's stamp

Full Name (Manager)

Notes:

The Mutation Recapitulation of Buying and

Liquidating of TC is used to summarize the initial balance, buying, or liquidating and final balance of TC on the date of reporting.

*) The rate for conversion to USD is from the conversion of each currency in USD based on the median rate from Bank Indonesia transactional rate in every end of the month.

Transactional median rate = Bank Indonesia selling transaction rate + Bank Indonesia buying transaction rate divided by 2.

If the transactional rate is not available in Bank Indonesia list of transactional rate, one shall use Selling rate + Buying rate from the reporting PVA divided by 2.

Example or Format of a Balance Sheet

PT ABC

BALANCE SHEET

Dated per December 31, 2004

(In Rupiah)

ASSETS		LIABILITIES AND EQUITIES	
Cash and Bank in Rupiah		LIABILITIES	
Cash	xxx	Received loan	
Bank	<u>xxx</u>	In Rupiah	xxx
	xxx	In foreign currency	<u>xxx</u>
			xxx
Cash and Bank in foreign currency		Other liabilities	<u>xxx</u>
Cash in UKA	xxx		xxx
Bank	<u>xxx</u>		
	xxx		
Credit of TC	xxx		
Fixed Asset			
Gained Price	xxx		
Accumulated depreciation	xxx		
		EQUITIES	
Other assets	<u>xxx</u>	Paid in Capital	xxx
		Retained profit/	
		(accumulated loss)- net	<u>xxx</u>
			<u>xxx</u>
Total asset	<u>xxx</u>	Total liabilities and equities	<u>xxx</u>

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signed of company's stamp

Full name (Manager)

Example or format of a Profit and Loss Statement

PT ABC

PROFIT (LOSS) STATEMENT

Period of 1 January – 31 December 2004

(In Rupiah)

Operational Income and Expenses

Operational Income

UKA selling		xxx
TC Liquidating		<u>xxx</u>
		<u>xxx</u>

Base Price of Sales

Initial UKA and TC balance		
UKA and TC buying	xxx	
Final UKA and TC balance		
	xxx	<u>xxx</u>

Gross Operational Income (xxx) **xxx**

Operational Expenses

Salary, fee, and allowances		
Rent		
Advertising and promotion	xxx	
Water, electricity and telephone	xxx	
Transport and Travel	xxx	
Depreciated fixed asset	xxx	
Others	xxx	
	xxx	<u>xxx</u>

Net Operational Income/ (Loss) xxx **xxx**

Other Income / (Expenses)

Gained interest rate

Appendix of Bank Indonesia Circular Letter No.6/41/DPM dated October 5, 2004

Profit / (loss) of fixed asset selling	xxx	
Profit / (loss) of rate difference	xxx	
Others	xxx	
	<u>xxx</u>	<u>xxx</u>
Profit / Loss before income tax		xxx
Income Tax		<u>xxx</u>
Net Profit / Loss		<u>xxx</u>

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signed of company's stamp

Full Name (Manager)

Example or Format of Equity Change Report

PT ABC

CHANGE IN EQUITY STATEMENT

Period.....

(In Rupiah)

Items	Paid-in capital	Retained Profit / Accumulated loss	Total
Balance per December 31, 200-0	xxx	xxx	xxx
Profit / (loss) of running period		xxx	xxx
Share of dividend		(xxx)	(xxx)
Balance per December 31, 200-1	<u> </u> <u>xxx</u>	<u> </u> <u>xxx</u>	<u> </u> <u>xxx</u>

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signed of company's stamp

Full name (Manager)

Example of Cash Flow Report

PT ABC

CASH FLOW STATEMENT

Period.....

(In Rupiah)

Cash Flow of Operational Activity	
UKA selling	xxx
UKA buying	(xxx)
TC liquidating	xxx
TC buying	(xxx)
Operational Expenses	(xxx)
Income / (interest expense)	xxx / (xxx)
Income / (other expense)	xxx / (xxx)
Income tax expense	<u>xxx</u>
Operational activity net cash flow	xxx
 Investing cash flow	
Fixed asset buying	(xxx)
Fixed asset selling	xxx
Dividend Earning	<u>xxx</u>
Investing net cash flow	<u>xxx</u>
 Loan activity cash flow	
Additional paid-in capital	xxx
Debt earning	xxx
Debt paying	(xxx)
Dividend paying	<u>(xxx)</u>
Loan activity net cash flow	<u>xxx</u>
Net raise/ (depreciation) of cash and the equal to cash	xxx

Adjusted rate difference of cash balance and an equal to cash	xxx <u>xxx</u>
Cash and an equal to cash at the beginning of the year	<u>xxx</u>
Cash and an equal to cash at the end of the year	

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signed and the company's stamp

Full Name (the Manager)

Handbook for Bookkeeping and Financial Reporting for Non-bank Money Changer



**The Directorate of Monetary Management
Bank Indonesia
Jakarta, 2004**

PREFACE

On account of the efforts made by Bank Indonesia to develop Non-Bank Money Changer (PVA BB) and based on the provisions in the applicable Bank Indonesia Regulations, it is considered necessary to create a guidelines for PVA BB in preparing its book keeping and financial reporting.

Bank Indonesia cq. The Directorate of Monetary Management (DPM) published this Handbook for Bookkeeping and Financial Reporting for PVA BB in order to synchronize the applicable accounting (Statement of Financial Accounting Standard) and the presentation of Financial report from PVA BB. The publication of this book is also intended as an effort to supervise and educate Money Changer.

This book contains the guidelines on the procedures of organizing business activity reports and financial reports of PVA BB that consist of Balance Sheet, Profit/Loss Statement, Change in Equity Statement, Cash-Flow Statement, and Notes on Financial Statement. However, the format of the supporting documents given in this book such as Transactional Note, Daybook and Subsidiary Daybook are only the minimum requirements for the organization of bookkeeping and financial report of PVA BB.

Hopefully, this handbook will give be a great benefit and will be able to assist the work of PVA BB in administering its financial report.

Thank you.

Jakarta October 5, 2004

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CHAPTER 1

GENERAL PROVISIONS

A. Objectives for Guidelines Organization

The main objectives for the organization of these guidelines are:

- To bring together the relevant principles and practices on the activities of Non-Bank Money Changer (PVA) as referred to the Statement of Financial Accounting Standards (PSAK) and by considering Bank Indonesia Regulation (PBI) concerning PVA.
- To create uniformity in the account treatment application and the presentation of financial report in order to improve the compatibility of the financial report.
- To assist Non-Bank PVA in organizing financial report of its own or of other parties such as Bank Indonesia (BI) and Tax Service Office (KPP).
- To improve the standard verification on a transaction.

B. The Objectives of Financial Report

The general objectives of a financial report are:

- To provide an accountable financial information on the assets, liabilities, and equity of a Non-Bank PVA.
- To provide an accountable financial report on business activities and net asset changes of Non-Bank PVA that emerge from foreign exchange transaction.
- To provide other important information on changes in the assets and liabilities of Non-Bank PVA in order to give guidance to the user of the report in the decision making process.

The examples and appendixes in this Handbook on Book Keeping and Financial Reporting Organization for Non-Bank PVA (Handbook) are provided only as an illustration and can be adjusted to the condition of each Non-Bank PVA in order to produce an acceptable presentation of its financial report.

CHAPTER 2

BASIC CONCEPTS FOR THE ORGANIZATION OF THE HANDBOOK FOR BOOKKEEPING AND FINANCIAL REPORT OF NON-BANK PVA

The Basis of Financial, By-Law and Regulation Standardization.

The organization of this Handbook is based on the common accounting principles as regulated in Indonesian PSAK Number 1 and 31 and the applicable PBI.

Considering foreign exchange service performed by Non-Bank PVA is part of the transaction that is commonly performed by Banking field as well, the organization of this Handbook is referred more to PSAK No. 31 concerning the Bank Accounting.

CHAPTER 3

ACCOUNT OF ASSETS

A. The definition and Basis for Asset Keeping

Assets are resources owned by the company as a result of past activities and from which future economic advantages will be earned by the company.

Future economic advantages in the form of assets are direct and/or indirect potential contribution of the assets to the cash flow and the equal cash of the company.

The assets are admitted/stated in a balance if there is a possible future economic advantages that will be gained by the company and the assets have the value or cost that can be accurately measured.

An asset should not be noted in the balance if the expenses have been paid and there is no possibility of an economic advantage after the account period is running. As an alternative, the concerning transaction shall be noted in the statement of profit and loss.

B. Cash and Bank

Cash is an instrument of payment that is available and free to use to compensate for the company's general activities.

In relation to Non-Bank PVA, the cash estimation in foreign exchange includes the various kinds of Foreign Currency Banknotes (UKA) that is available for trading.

Bank is the remnant of the company's giro account that may be used freely to finance the general activities of the company.

C. TC Accounts Receivable

TC accounts receivable is the credit resulted from the buying of TC from a customer that has not been liquidated into cash or bank. TC accounts receivable includes TC that has or has not been claimed to the bank or the issuing institution.

D. Fixed Assets

Fixed assets are material assets acquired in either a ready to use form or by forming it first, that are used in the operational activities of the company. The assets are not for

sold in a normal activity of the company and have a period of usefulness for more than one year.

Fixed assets are usually noted by the acquired price.

A reduction is a systematic allocation of the asset amount that may be deducted during an estimated usefulness period.

The amount of reduction can be allocated to every account period during the usefulness period of the asset using various methods of reduction systematically and consistently.

The application of accountancy standard for fixed assets for Non-Bank PVA is the same as the accountancy standard of fixed assets in reference to PSAK in general.

E. Other Assets

Other assets are the posts that cannot be categorized as the above mentioned three posts and immaterially insufficient to be presented in a single post.

The examples of other assets in Non-Bank PVA are: Payment in advance (building rent, insurance, etc.), Employees credit and Other kinds of credits, and the kinds.

CHAPTER 4

ACCOUNT OF LIABILITIES

A. The Definition and Basis for Liability Keeping

Liabilities are the debt of the company resulted from past activities in which the settlement may cause an outflow of the company's resources that have an economic value.

The settlement of current liabilities usually involves the sacrifice of the company's resources that have future economic value in order to fulfill the obligation to another party.

A liability shall be noted in the balance sheet if there is a big possibility of using the resources that have economic values to settle the current obligation whereas the amount of the settled debt can be measured reliably.

All the known liabilities must be noted regardless of the accuracy of the amount.

If the amount cannot be naturally predicted, the nature of the liability must be explained in the note of the financial report.

B. Received Loan

A Received loan is a credit facility from a bank or other party, including the share holders, either in Rupiahs or foreign currency, that must be settled on a certain due date.

An advance deposited capital is not included in the definition of received loan.

The received loan is presented as the amount of loan balance received by Non-Bank PVA on the date of the report.

C. Other Liabilities

Other liabilities are the posts that are not suitable to be categorized into one of the liability accounts and immaterially insufficient to be presented in a single post.

Other liabilities are presented as the amount of liabilities of the Non-Bank PVA to other parties on the date of the report.

Examples of other liabilities on Non-Bank PVA are the cost of rent, cost for salaries, and other obligatory payment, etc.

CHAPTER 5

ACCOUNT OF EQUITIES

A. The Definition and Basis for Equity Keeping

Equity is the right of the owner of the company. It is the difference between existing assets and liabilities and thus, is not a measure of the selling value of the company.

Basically, equity comes from the owner's investment and the company's business revenue. Equity may be added or decreased with the additional deposited capital or withdrawal by the owner, loss or profit of the business and profit sharing.

As part of the right of owner of the company, equity must be reported in such a way that gives clear information on the sources and presented in accordance to the applicable by-laws and the founding certificate.

Basically, the revealed equity factors must be clearly organized into deposited capital, reserve and loss and profit balance.

The definition and basis for equity keeping for Non-Bank PVA is the same as the definition and basis for equity keeping for companies in general as regulated by PSAK.

B. Paid in Capital

Deposited capital is the amount of capital being deposited by the owner of the company based on the founding certificate and its revision.

C. Retained Profit / Loss

Retained profit/loss is the accumulation of periodical business revenue after income tax payment and dividend sharing or profit sharing to the owner of the company.

Accumulation of periodical business revenue is the profit and/or loss of the previous years and the running year.

CHAPTER 6

ACCOUNT OF INCOME AND COST

A. The Principles on the Disclosure of Income and Cost

Income, cost, profit and loss must be calculated in such away that gives a clear description on the revenue of the company within a certain period of time.

Income shall be stated in the profit/loss report if the increasing economic value in the future, resulted from a transfer of goods or service or other business activities in certain period of time, has occurred and can be securely measured.

Cost shall be stated in profit/loss report if the decreasing economic value in the future related to the decrease of assets or the increase of liabilities has occurred and can be securely measured.

Consequently, the disclosure of cost occurred at the same time as the disclosure of rising liabilities or decreasing assets.

Cost must be quickly reported in profit/loss report if the outcome does not create any economic values in the future or is not qualified to be reported in the balance sheet as assets.

B. Operational Income

Operational income is the gained income from the main activities of the company.

Operational income of a Non-Bank PVA resulted from selling of UKA and TC Liquidation is based on the transactional rate from the issuance of the transactional note.

Transactional currency is the agreed market rate between Non-Bank PVA and its customer.

The transactional note, as the basis for transaction shall at least contain information as follows:

- 1) Date of transaction;
- 2) Time of transaction and the order number of the transaction;
- 3) Type of transaction, for buying or selling;
- 4) Type of foreign currency;
- 5) The nominal value of the foreign currency;
- 6) Transactional currency;
- 7) Rupiahs equivalent.

If a transaction fulfill the required nominal value based on the applicable provisions from The Center for Financial Transaction Reporting and Analyzing (PPATK), the Non-Bank PVA must take note and/or report the complete data on the customer's identity (such as name, address, telephone number and identity card number).

An example of a simple transactional note is provided in Appendix A of this Handbook.

C. Operational Cost

Operational cost is the costs that resulted from the main activities of the company.

In Non-Bank PVA, the operational costs include salary and remuneration for employees, promotion cost, office room rent cost, water/electricity/telephone bill cost, deduction cost, etc.

D. Other Income and Costs

Other income and costs are the various income and costs not resulted from the main activities of the company such as interest income or cost, profit or loss on fixed asset selling, difference of rate not realized yet, etc.

CHAPTER 7

ACCOUNT OF TAX

All the temporary difference between the noted amount of assets and liabilities based on the applicable tax shall be admitted as delayed tax with liability method. Delayed tax shall be measured with the current tax rate.

The temporarily differences include:

1. Taxed temporarily difference, a temporarily difference that caused a tax application on a particular amount in the next period fiscal profit count, during the time of the recovery of stated value of the assets or the settlement of the noted liability value.
2. A deductible temporarily difference is a one that may cause a certain amount to be deducted in the counting of next period fiscal, during which the noted asset value is recovered or the noted liability has been paid off.

The basis for the application of tax on assets or liabilities is the asset or liability values admitted by the Directorate of General on Tax in the calculation of fiskal profit.

The accountancy for income tax for this method of liabilities does not have to be applied on immaterial factor.

CHAPTER 8

FINANCIAL REPORT OF NON-BANK PVA

In general, the objectives of a financial report is to give information on the financial condition, cash performance and cash flow of the company that is useful for most of the users of the report, in order to make economic decisions and as a managerial responsibility for utilizing the resources trusted to them.

Hence, to fulfill the objectives, a financial report shall give information about the company that covers the following information:

- Assets;
- Liabilities;
- Equity;
- Income and cost including profit and loss;
- Cash flow.

Non Bank PVA financial report shall consist of the following components:

1. Balance Sheet;
2. Profit / Loss Statement
3. Changes in Equity Statement
4. Cash Flow Statement
5. Notes on Financial Statement

A. BALANCE SHEET

Balance sheet is a report that shows the financial condition of the company during a certain period of time that consists of the owned assets and the obligatory liabilities.

In the presentation, the assets and liabilities in Non-Bank PVA balance sheet are not categorized according to the regular or the irregularity, but it shall be categorized based on the level of liquidity and due date.

Herein the intended example or format of the balance sheet

PT ABC
BALANCE SHEET
Dated.....
In Rupiah

ASSETS		LIABILITIES AND EQUITIES	
Cash and Bank in Rupiah		Liabilities	
		Received loan	
Cash	xxx	In Rupiah	xxx
Bank	<u>xxx</u>	In foreign exchange	<u>xxx</u>
	xxx		xxx
Cash and bank in foreign currency		Other liabilities	
Cash in UKA	xxx		xxx
Bank	<u>xxx</u>		
	xxx		
TC accounts receivable	xxx		
Fixed Assets		EQUITIES	
Gained price	xxx	Deposited capital	xxx
Deductive accumulation	<u>xxx</u>	Reserved profit/	<u>xxx</u>
	xxx	(loss accumulation)- net	
Other Assets			<u>xxx</u>
Employee's debt	<u>xxx</u>		
			<u>xxx</u>
Total Assets	<u>xxx</u>	Total Liabilities and Equity	<u>xxx</u>

NOTE ON BALANCE SHEET POSTS

CASH AND BANK IN RUPIAHS

Cash: Filled in with the amount of cash balance on the dated position of the balance sheet.

Bank: Filled in with the amount of the bank account balance and saving on the dated position of the balance sheet.

CASH AND BANK IN FOREIGN CURRENCY

Cash: Filled in with the amount of cash balance of a foreign currency that has been converted to Rupiahs value based on the median transactional rate of Bank Indonesia on the date of the balance sheet. Median transactional rate is Bank Indonesia selling transactional rate added by Bank Indonesia buying transactional rate divided by two.

Bank: Filled in with the amount of bank account balance from the various foreign currencies that have been converted to Rupiahs value based on Bank Indonesia median transactional rate on the date of the balance sheet.

TC ACCOUNTS RECEIVABLE

Filled in with the amount of TC balance that has to be received on the date of the balance sheet.

FIXED ASSETS

Gained Price: Filled in with the gained value of all the fixed assets such as vehicles, building, etc. on the dated position of the balance sheet.

Deductive Accumulation: Filled with the deductive accumulating value of all the fixed assets on the dated position of the balance sheet.

OTHER ASSETS

Filled in with values other than the groups of assets mentioned above on the dated position of the balance sheet such as delayed tax assets, advanced payment, employees' debt, other debts, etc.

RECEIVED LOAN IN RUPIAHS

Filled in with the amount of loan balance received from other party and must be settled on the dated position of the balance sheet.

RECEIVED LOAN IN FOREIGN CURRENCY

Filled in with the amount of loan balance received from other party in various foreign currencies that have been converted into Rupiahs based on Bank Indonesia median transactional rate and must be settled on the dated position of the balance sheet.

OTHER LIABILITIES

Filled in with the amount of other liabilities that must be settled on the dated position of the balance sheet such as rent cost, salary, electricity cost, etc.

EQUITY

Deposited Capital: Filled in with the amount of deposited capital owned by the company based on the amount of capital that has been deposited as written in the company's founding certificate on the dated position of the balance sheet at the end of the month or year.

Reserved Profit / (Loss Accumulation): Filled in with the amount of profit balance that is reserved or the loss accumulation of the previous period and the running period.

B. PROFIT AND LOSS STATEMENT

Profit and loss statement is a report that describes the business income of a company during certain period of time.

Non-Bank PVA profit and loss statement must be organized in multiple steps and must describe in details the income and cost factors resulted from the company's operational activities and other activities.

Herein an example or format of the intended profit and loss statement

PT ABC

PROFIT / (LOSS) STATEMENT

Period of.....

In Rupiah

Income and Operational Cost

Operational Income

Selling of UKA	xxx
----------------	-----

TC Liquidating	<u>xxx</u>
----------------	------------

xxx

Selling Base Price

Balance of UKA and TC	xxx
-----------------------	-----

Selling of UKA and TC	xxx
-----------------------	-----

Final balance of UKA and TC	<u>(xxx)</u>
-----------------------------	--------------

xxx

Gross Operational Revenue

xxx

Operational Costs

Salary, fee and allowance	xxx
---------------------------	-----

Rent	xxx
------	-----

Advertisement and promotion	xxx
-----------------------------	-----

Water, electricity and telephone	xxx
----------------------------------	-----

Transport and travelling	xxx
--------------------------	-----

Depreciation of fixed assets	xxx
------------------------------	-----

Others	<u>xxx</u>
--------	------------

xxx

Net Operational Income / (Loss)	xxx
--	------------

Other Income / (Loss)

Profit income	xxx
Profit/ (loss) of fixed assets selling	xxx
Profit / (Loss) of exchange difference	xxx
Others	<u>xxx</u>

xxx

Profit / (Loss) before tax	xxx
----------------------------	-----

Income tax	<u>xxx</u>
------------	------------

Net Profit / (Loss)	<u>xxx</u>
----------------------------	-------------------

NOTES ON PROFIT / LOSS POSTS

SELLING OF UKA

Filled in with the income of all UKA selling based on the selling and buying transactional rate during the reporting period.

TC LIQUIDATING

Filled in with the resulted TC liquidating during the reporting period.

INITIAL BALANCE OF UKA AND TC

Filled in with the amount resulted from adding the initial balance of UKA and TC taken from the cash balance in UKA with TC accounts receivable in the balance sheet.

BUYING OF UKA AND TC

Filled in with the result of buying UKA and TC based on buying and selling transactional rate during the reporting period.

FINAL BALANCE OF UKA AND TC

Filled in with the amount resulted from the addition of final balance of UKA and TC taken from the cash balance of UKA with TC accounts receivable in the balance sheet.

OPERATIONAL COSTS

Filled in with all types of costs related to the company's operational activities during the reporting period.

OTHER REVENUES / (COSTS)

Filled in with all types of revenue and cost occur during the reporting period but not related to the company's operational activities.

Examples of non-operational revenues/costs are gained profit, profit or loss on fixed assets selling, profit/loss of rate difference, etc.

INCOME TAX

Filled in with the amount of income tax that must be paid by the company and the movement of assets and obligatory delayed tax during the reporting period.

C. CHANGE IN EQUITY STATEMENT

The company's equity changes describes the increasing or decreasing net assets or wealth during the concerning period based on certain applied measurement principles that must be revealed in the financial report.

Herein the example or format of the intended equity change.

PT ABC

CHANGE IN EQUITY STATEMENT

Period of

In Rupiah

Items	Paid in Capital	Retained Earnings/ (accumulated loss)	Total
Balance per 31 Dec. 200-0	xxx	xxx	xxx
Profit / (loss) of the running period		xxx	xxx
Dividend sharing		(xxx)	(xxx)
Balance per 31 December 200-1	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

D. CASH FLOW STATEMENT

The information on a company's cash flow is used for the users of the financial report as a basis for evaluating the company's ability to produce cash and its equal and to evaluate to company's needs in using the intended cash flow.

The equal to cash is an investment of a very liquid nature, short-termed and can quickly be used as cash in certain amount without dealing with the risk of significant value change.

Cash flow statement must be classified into operational activities, investing activities, and funding activities.

Operational activities are the revenue center of the company and other activities not included as investing activities or funding activities.

Investing activity is long term assets gaining or releasing and other investment not included as an equal to cash.

Funding activity is an activity that change the cash in term of the amount and the capital and company's loan composition.

Herein an example or format of the intended cash flow.

PT ABC

CASH FLOW STATEMENT

Period of

In Rupiah

Cash flow and operational activities	
Selling of UKA	xxx
Purchasing of UKA	(xxx)
Liquidating of TC	xxx
Purchasing of TC	(xxx)
Operational Expenses	(xxx)
Income / (interest charges)	xxx / (xxx)
Income / (other expenses)	xxx / (xxx)
Income tax expense	<u>xxx</u>
Net cash flow of operational activities	xxx
 Cash flow of investing activities	
Fixed asset Purchase	(xxx)
Fixed assets sale	xxx
Received dividend	<u>xxx</u>
Net cash flow of investing activities	<u>xxx</u>
 Cash flow of funding activities	
Added paid in capital earning	xxx
Received loan	xxx
Loan settlement	(xxx)
Dividend settlement	<u>(xxx)</u>
Net cash flow of funding activities	<u>xxx</u>

Net Increase / (decrease) cash and an equal to cash	xxx
Adjustment of exchange difference of the cash flow or its equal balance.	xxx
Cash and its equal at the beginning of the year	<u>xxx</u>
Cash and its equal at the end of the year	<u>xxx</u>

E. NOTES ON FINANCIAL STATEMENT

The notes on a financial statement must be systematically presented. Each post in the balance sheet, profit/loss statement and cash flow statement must be related to the information in the note to the financial statement. The objective of the notes on financial statement is to give comprehensible explanation for the readers of the financial statement. The notes on financial statement that must be presented on the reporting date shall comprise:

1. General requirements:
 - The name of the company as referred to the Company's corporation charter made in front of a notary public and approved by the Minister of Justice of the Republic of Indonesia;
 - Type of business of the company as referred to the company's corporation charter and the business license granted by BI;
 - Information on the managers of the company (Board of Commissioners and Directors)
 - The number of employees in the company.
2. The important Summary of accounting policy on the reporting date shall be composed of:
 - The basis for financial statement organization
 - TC accounts receivable
 - Fixed assets
 - Statement of income and expenses
 - Definition of foreign currency
 - Income Tax
 - Usage of Prediction
3. The details of fixed assets and liability posts in the balance sheet and profit/loss posts with material amount.

For Non-Bank PVA, the details of balance sheet and profit/loss posts shall at least contain the following information:

(a) Cash and bank

Consist of:

ITEMS		Rp	Total Rp
In Rupiah :			
Cash		Xxx	
Bank		<u>Xxx</u>	
			xxx
In foreign currency :			
Cash in UKA:			
Types of forex	Total UKA		
USD	xxx	Xxx	
EUR	xxx	Xxx	
AUD	xxx	Xxx	
SGD	xxx	Xxx	
HKD	xxx	Xxx	
Others	xxx	<u>Xxx</u>	
			xxx
Bank :			
Types of foreign currency	Total UKA		
USD	xxx	Xxx	
EUR	xxx	Xxx	
Others	xxx	<u>Xxx</u>	
			xxx
			<u>xxx</u>

(b) TC Accounts Receivable

Consist of:

Issuance	Type of currency	Total TC	Total Rp
	USD	xxx	Xxx
	AUD	xxx	Xxx
	SGD	xxx	Xxx
	Others	xxx	Xxx
			<u>Xxx</u>

(c) Fixed Assets

Consist of:

Subject	Gained value Rp	Accumulated Depreciation Rp	Book Value Rp
Building	xxx	(xxx)	Xxx
Computer	xxx	(xxx)	Xxx
Desk	xxx	(xxx)	Xxx
Table	xxx	(xxx))	Xxx
Jumlah	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

(d) Share Capital

On the date (filled in with the reporting date for example December 31st, 2004) the amount of company's base capital of Rp..... that consist of sheets of stock with a nominal amount of Rp..... per sheet of stock, is placed and fully paid up by the following shareholders:

Shareholders	Total Share	Total (Rp)	%
Mr. Ahmad	xxx	x	Xxx
Mr. Budi	xxx	x	Xxx
Mr. Chandra	xxx	x	Xxx
Total	<u>xxx</u>	<u>x</u>	<u>Xxx</u>

(e) UKA Sale and TC Liquidation

Consist of:

Type of Currency	UKA Sale	TC Liquidation	Total Rp
USD	xxx	xx	Xxx
EUR	xxx	xx	Xxx
AUD	xxx	xx	Xxx
Other	xxx	xx	Xxx
	<u>xxx</u>	<u>xx</u>	<u>Xxx</u>

(f) Exchange difference Profit/Loss

Consist of:

Note	Rp
	xxx
	xxx
	xxx
Total	<u>xxx</u>

APPENDIXES

A. Example of Transactional Note

This transactional note is used to note the occurrence of foreign currency transaction such as purchasing, selling or liquidating.

In reference to the applicable Decree of The Chief of the Central for Financial Transaction Reporting and Analyzing concerning the Guidelines for Suspicious Money Transaction and the Report of Cash Money Transaction in certain nominal amount or more, Non-Bank PVA must have records of additional data on foreign currency purchasing or selling, as follows:

1. For individual customer

- a. Customer's name and address;
- b. Place and date of birth;
- c. Occupancy;
- d. Nationality;
- e. Identity card number.

Identity card may be Residency Card (KTP), Driving License (SIM) or Passport.

2. For company as customer

- a. Company's name and address;
- b. Type of business;
- c. Business license number;
- d. Tax Payer Number.

The following example of transactional note is a general example and can be modified accordingly.

PT ABC TRANSACTIONAL NOTE Time/Transaction number: _____ Type of transaction: Purchasing/Selling/Liquidating (*) Date: _____				
Type of Currency	Total UKA/TC (*)	Transactional Rate	Equivalent in Rp	Note
(*) Cross the unnecessary one <i>Note for PPATK requirements:</i>				
Individual:		Company:		
Name:		Name:		
Address:		Address:		
Identity No.:		Type of Business:		

Place/date of Birth:	Business License Number:	
Nationality:	NPWP:	
Occupation:		
<div style="display: flex; justify-content: space-around; align-items: flex-end; padding: 20px;"> <div style="text-align: center;"> <p>Created by:</p> <p>(name, signature)</p> </div> <div style="text-align: center;"> <p>Checked by:</p> <p>(name, signature)</p> </div> <div style="text-align: center;"> <p>Approved by:</p> <p>(name, signature)</p> </div> </div>		

B. Simple Bookkeeping

Most Non-Bank PVA are small scaled companies individually owned with limited capabilities either financially or administratively especially concerning book-keeping. This handbook provides knowledge on simple bookkeeping concepts.

It is expected that small companies can also organize the appropriate bookkeeping and report to fulfill the requirements of a report to the concerning parties especially to BI and the tax service.

The concept of simplified bookkeeping shall be explained through a single bookkeeping method in which there is only a small number of transactions.

Single bookkeeping method

Basically, the transactions done by the company can be classified into:

1. Cash transaction such as cash selling and purchasing, the received bill on other cash income, payment for expenses, and etc;
2. Transaction of credit such as credited selling and purchasing;
3. Other transactions such as company's non-major activity of selling and purchasing, given or accepted discount, etc.

The process of single bookkeeping comprises:

1. Making inventory of all the assets and liabilities at the beginning of the period;

2. Organizing the company's initial balance sheet;
3. Counting the company's equity, which is the resulted amount of assets minus liabilities. Equity consists of paid-in capital and profit balance.

If the initial capital deducted by personal gain and added by personal deposit is less than the final capital, then it is a profit. If the result is smaller, that means a loss;

4. Taking notes on the initial balance into the day book and subsidiary day book;
5. Taking notes on UKA trading, TC liquidating and operational transaction into the day book and subsidiary daybook.

The following is an example or format of the intended Inventory of Asset and Liability Data and the company's initial balance sheet.

PT ABC
Inventory of Asset and Liability Data
 Per dated 1 January....
 In Rupiah

No.	Items		Total
	ASSETS		
1.	Cash in Rupiah	xxx	
2.	Bank A in Rupiah	xxx	
	Bank B in Rupiah	xxx	
3.	Cash in UKA	xxx	
4	Bank ABC in USD	xxx	
	Bank CDE in USD	xxx	
5.	TC Accounts Receivable	xxx	
6.	Fixed Assets		
	- Computer	xxx	
	- Desk	xxx	
	- Chair	xxx	
	- Others	xxx	
7.	Other Assets		
	- Employees' Debt	<u>xxx</u>	
	TOTAL ASSETS		<u>xxx</u>
	LIABILITIES		
1	Received Loan		

2.	- Shareholders – Rupiah	xxx	
	- Bank XYZ – USD	xxx	
	Other Liabilities		
	- Purchasing Debt	<u>xxx</u>	
	TOTAL LIABILITIES		<u>xxx</u>
	EQUITIES		
	- Paid-in Capital	xxx	
	- Retained Profit/Loss from the previous years	<u>xxx</u>	
	TOTAL EQUITIES		<u>xxx</u>
	TOTAL LIABILITIES AND EQUITIES		<u>xxx</u>

PT ABC
Initial Balance Sheet
Per dated 1 January
In Rupiah

Assets		Liabilities and Equities	
Cash and Bank in Rupiah		Received Loan	
Cash	xxx	Share holders -Rupiah	xxx
Bank	<u>xxx</u>	Bank – USD	<u>xxx</u>
	<u>xxx</u>		<u>xxx</u>
Cash and Bank in Foreign Currency		Other liabilities	
Cash in UKA	xxx		<u>xxx</u>
Bank – USD	<u>xxx</u>		xxx
	<u>xxx</u>		

TC Accounts Receivable	xxx	Equities	
		Paid-in Capital	xxx
Fixed Assets	xxx	Retained Profit/Share – Neto	<u>xxx</u>
			<u>xxx</u>
Other Assets			
Employees' Debt	xxx		
Total Assets	<u>xxx</u>	Total Liabilities and Equities	<u>xxx</u>

The daily transactions of the company shall be noted in the Daybook and Subsidiary daybook.

The available Daybooks consist of:

1. Cash Book
2. Bank Book
3. Subsidiary General Journal.

The available subsidiary daybooks consist of:

1. UKA and TC Mutation Book/Card
2. Recapitulation of UKA and TC Book
3. Accounts Receivable or Debtor Subsidiary Daybook.
4. Accounts Payable/Credit or Creditor Supporting Day Book

DAYBOOKS

Cash Book

Cash Book is used to take notes on the earnings and expenses through the company's cash in details. The cash book is divided into separated earning book and expense books.

The following is an example of the intended Cash Earning and Expense Book.

Cash Earnings

Date	Ref	Note	Sale of UKA	TC Liquidation	Bank	Others	Total

Cash Expenses

Date	Ref	Note	Sale of UKA	TC Purchasing	Expenses	Bank	Others	Total

Bank Book

Bankbook is used to keep record of earnings and expenses of money through a bank on behalf of the company's account.

Bankbook is also divided into a separated bank earning and expense books.

The following is an example of the intended Bank Earning and Expense Book.

Bank Earnings

Date	Ref	Note	Sale of UKA	TC Liquidation	Bank	Others	Total

Bank Expenses

Date	Ref	Note	Sale of UKA	TC Purchasing	Expenses	Bank	Others	Total

Subsidiary General Journal

A Subsidiary General Journal is used to keep record of transactions that cannot be recorded in Cash Book or Bank Book due to their nature, such as; depreciated fixed assets, rate difference, etc.

The following is an example of the intended Subsidiary General Journal.

Subsidiary General Journal

Date	Ref.	Note	Total

SUBSIDIARY DAYBOOKS

These books are used to support the Daybook and function as a controlling tool for the recorded transactions in the Daybook.

As a controller, the source for record keeping is the proof of transactions. Controlled transactions are transactions that frequently change the assets and liabilities such as cash, bank, accounts receivable, etc.

Subsidiary daybooks or additional books that need to be organized are UKA and TC Mutation Book/Card, UKA and TC Recapitulation Book, Accounts Receivable or Debtor Subsidiary Daybook, and Accounts Payable/Credit or Creditor Supporting Daybook.

UKA and TC Mutation Book/Card

The use of UKA and TC Mutation Book/Card is to inform the amount of initial balance, purchasing, selling or liquidating and the amount of final balance of UKA and TC. In order to simplify the organization, the Mutation Book can be made in the form of cards.

How to keep record in UKA and TC Mutation Book/Card:

- Each currency in UKA and TC is given a separated mutation book / card;
- At the end of the book month / year the initial balance of UKA and TC is noted;
- During the running year, the purchasing estimation for UKA and TC is noted and the estimated selling and liquidating is noted for UKA and TC selling or liquidating;
- At the end of the book month / year, the final balance of UKA and TC is recorded.

The following is an example of the intended UKA and TC Mutation Book/Card.

UKA and TC Mutation Book/Card

Date	Note	Purchasing			Selling/Liquidating			Balance of UKA/T C	Book Rate	Balance Rp
		UKA / TC	Rate	Rp	UKA / TC	rate	Rp			
January 1, 2003	Initial Balance							Xxx	xxx	xxx
31 January 2003	Final Balance							xxx	xxx	xxx

UKA and TC Recapitulation Book

UKA and TC Recapitulation Book is used to summarize the initial balance, purchasing, selling or liquidating and the final balance of UKA and TC on the reporting date.

In relation to the Report required by Bank Indonesia, it is necessary to have the conversion of USD currency for UKA and TC purchasing and UKA and TC selling/liquidating.

	UKA Initial Balance (A)		Purchasing (B)			Selling/Liquidating (C)			UKA Final Balance (D)		
Type of Curr ency	Total		Total			Total			Total	Medi an Rate	Total
	UKA/ TC	Rp	UKA/ TC	Rp	USD *)	UKA/ TC	Rp	USD *)	UKA/ TC		Rp
	(a)	(b)	(c)	(d)	(e) = (c)	(f)	(g)	(h) =	(i) =		(j) =

					x converte d rate			(f) x conve rted rate	((a) + (c)) – (f)		(i) x medi an rate
USD	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
EUR	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
AUD	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
SGD	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
HKD	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
		<u>xxx</u>		<u>xxx</u>	<u>Xxx</u>		<u>xxx</u>	<u>xxx</u>			<u>xxx</u>

*) The rate for conversion to USD is from the conversion of each currency to USD based on the median rate calculation gained from bank Indonesia transactional rate at every end of the month.

Transactional median rate is BI selling transaction rate plus BI purchasing transaction rate divided by two.

If the median rate is not available in BI transaction rate, it is possible to use selling rate plus purchasing rate of the reporting Non-Bank PVA divided by two.

Accounts Receivable or Debtor Subsidiary Day Book

The usage of Accounts Receivable or Debtor Subsidiary Daybook is for notifying the condition of accounts receivable, to whom the company gives loan and the amount on certain dates. Every debtor shall be put into one estimated list to keep record on the change of account receivable. To simplify the organization, Accounts Receivable or Debtor Subsidiary Daybook can be made into cards.

Record Keeping Procedure of an Accounts Receivable or Debtor Subsidiary Daybook

- The debtor estimated list is applied for one book-keeping period;
- At the beginning of estimated book month or year, a certain amount of accounts receivable is debited;

- During the estimated book running year, it will be debited if there is an additional accounts receivable and it shall be credited if there is a reduction of accounts receivable.

In the last period of book keeping, a list of balance shall be made from the amount of debit and credit.

The following is an example of the intended Accounts Receivable or Debtor Subsidiary Daybook.

Debtor's Name

Date	Ref	Note	Total Debit	Date	Ref	Note	Total Credit
2003 1 January		Initial balance	xxx	2003 31 January		Final balance	xxx

Accounts Payable or Creditor Subsidiary Day Book

The usage of Accounts Payable or Creditor Subsidiary Day Book is to find out the status of credit, to whom the company borrows or credits and the amount of it on certain dates.

Each creditor shall be put into one estimated list to record the change of accounts payable. To simplify the organization, Accounts Payable or Creditor Subsidiary Daybook shall be made in the form of cards.

Record Keeping Procedures of an Accounts Payable or Creditor Subsidiary Daybook.

- The estimation list for each creditor is applied for one book-keeping period;
- At the beginning of estimated book month or year, a certain amount of accounts payable is credited;

- During the estimated book running year, it will be credited if there is an additional accounts payable and it shall be debited if there is a reduction of accounts payable.

In the last period of book keeping, a list of balance shall be made from the amount of debit and credit.

The following is an example of the intended Accounts Payable or Creditor Subsidiary Day Book.

Creditor's Name

Date	Ref	Note	Total Debit	Date	Ref	Note	Total Credit
2003 31 January		Final balance	xxx	2003 1 January		Initial balance	xxx

The Organization of Financial Report

At the end of bookkeeping period, a financial report shall be organized and shall consist of Balance Sheet and Profit/Loss Statement. In order to organize the financial report, a summary of the daybooks shall be made at the end of bookkeeping period.

The content of the summary of daybooks can be explained as follows:

- A summary of Cash and Bank books, containing the summary of cash and bank earnings and expenses in one period.
- A summary of Subsidiary General Journal containing the amount of transactions other than the ones recorded in the cash and bankbook in one period.

An example of the form of balance sheet can be seen from the Initial Balance Sheet in this Handbook.

In organizing the balance sheet, the depreciated fixed assets of the company must also be calculated. The depreciation cost can be calculated every month or on the whole at the end of bookkeeping period and be recorded in the Subsidiary General Journal.

For a relatively small companies, it is suggested to use the straight-line method.

The application if the straight-line method to calculate the depreciation of fixed assets totally at the end of book-keeping period is by dividing the gained value or price of the fixed assets by the predicted age of the fixed assets such as 5 years. If it is depreciated every month, then the gained value or price of the fixed assets is divided by the predicted age of the fixed assets in month such as in 60 months.

The following is an example of a company's Profit/Loss Statement.

PT ABC
PROFIT/LOSS STATEMENT

Period.....

In Rupiah

Operational Revenues and Expenses

Operational Revenues

Sale of UKA (1)	xxx
Liquidation of TC (2)	<u>xxx</u>
	xxx

Base Price for Sale of Foreign Currency

Initial balance UKA and TC (3)	xxx
Purchase of UKA and TC (4)	xxx
Initial balance of UKA and TC (5)	
	<u>(xxx)</u> <u>xxx</u>

Gross Operational Revenues **xxx**

Operational Cost

Salary, fee and allowance (6)	
Rent (6)	xxx

Advertising and promotion (6)	xxx	
Water, electricity and telephone (6)	xxx	
Transport and travel expenses (6)	xxx	
Depreciated fixed assets (7)	xxx	
	<u>xxx</u>	<u>xxx</u>
Net Operational Revenues / (Loss)		xxx
Other Revenues / (Expenses)		
Interest Earnings (8)		
Profit / (loss) of fixed assets sale (7)	xxx	
Profit / (loss) of difference in rate (7)	xxx	
Others (9)	xxx	
	<u>xxx</u>	<u>xxx</u>
Profit / Loss before income tax		xxx
Income tax (6)		<u>xxx</u>
Net Profit / (Loss)		<u>xxx</u>

- (1) Filled in with the sum of sale in column C from UKA Recapitulation Book.
- (2) Filled in with the sum of sale in column C from TC Recapitulation Book.
- (3) Filled in with the sum of initial balance in column A from UKA and TC Recapitulation Books.
- (4) Filled in with the sum amount of purchasing in column B from UKA and TC Recapitulation Books.
- (5) Filled in with the sum amount of the final balance from each UKA and TC mutation cards.
- (6) Filled in with the sum amount of Cash and Bank Expenses Books.
- (7) Filled in with data from the Subsidiary General Journal.
- (8) Filled in with the sum amount from Cash and Bank Earning Books.
- (9) Filled in with the sum amount of Cash and Bank Expenses Books, Cash and Bank Earning Books and Subsidiary General Journal.

B. Example of Daily Rate Adjustment Record

The daily rate adjustment record is used to keep record on the changes of foreign exchange rate both for the selling or purchasing rate on a specific day, date and time based on the rate sources of information such as Reuters, BI and others.

The daily rate adjustment record shall only be used to support the selling and purchasing rate on the day of the transaction especially when an inspection is held by concerning parties such as the Tax Service Office during a tax inspection.

The following daily rate adjustment record is only a general example and can be modified if necessary.

PT ABC

DAILY RATE ADJUSTMENT RECORD

Number:-----

Day:-----

Date:-----

TYPE OF FOREIGN CURRENCY

TIME..... SALE

TIME.....

PURCHASE

TIME..... SALE

TIME

PURCHASE

TIME

TIME

PURCHASE

UKA

UKA

TC

UKA

UKA

UKA

TC

UKA

TC

USD

EURO

AUD

SGD

HKD

Etc.

Produced By:

Checked By

Approved By

(name, signature)

(name, signature)

(name, signature)

Notes: -----

D. Taxation Aspects

In accordance with the applicable Tax Law until the time of the making of this Handbook, the tax related to Non-Bank PVA are Institutional Income Tax (PPh), PPh Article 21, PPh Article 23, PPh Article 25, etc.

Particularly for PPh Article 25 concerning the institutional or company income tax, even when the company suffers a loss in the running period or year, it is not certain yet that the company really suffers a loss based on the fiscal. This is the result of reconciliation factors between profit/loss before income tax and the allowed and not allowed fiscal costs.

The following are the general aspects of taxation related to the transaction done by Non-Bank PVA.

A. Depreciation of Material and Immaterial Objects

Legal Standing:

- Article 11 and 11 A of Law No. 17 of 2000 concerning Income Tax
- The Provision of the Minister of Finance No. 138/KMK.03/2002
- The Decree of Directorate General (Dirjen) of Taxation No Kep-220/PJ./2002
- Dirjen of Taxation Circular Letter No. SE-09/PJ.42/2002
- Dirjen of Taxation Circular Letter No. SE-07/PJ.42/2002

The calculation of tax based depreciation may be done by using the following methods:

1. Straight Line Method/SL
2. Double Declining Method/DD

Calculation of depreciation starts on the month where expenses are spent except for the wealth on the making. The depreciation shall start on the finishing month of the wealth processing.

To calculate the depreciation, the usefulness period and depreciated tariff of material objects are as follows:

Material Object Group	Usefulness Period	Depreciated Tariff	
		SL	DD

I. Non-building			
Group 1	4 years	25%	50%
Group 2	8 years	12,5%	25%
Group 3	16 years	6,25%	12,5%
Group 4	20 years	5%	10%
II. Building			
Permanent	20 years	5%	
Non- permanent	10 years	10%	

To count the amortization, the usefulness period and depreciated tariff of immaterial objects are as follows:

Immaterial Object Group	Usefulness Period	Depreciated Tariff	
		SL	DD
Group 1	4 years	25%	50%
Group 2	8 years	12,5%	25%
Group 3	16 years	6,25%	12,5%
Group 4	20 years	5%	10%

B. PPh Article 21

Legal Standing:

- Article 21 of Law No. 17 of 2000;
- Government Regulation Number 47 of 2003 Jo the Decree of Minister of Finance Number: KMK-486/KMK.04/2003;
- The Decree of Dirjen of Taxation Number 545/PJ./2000.

- Deducted Object:

- routine income in the form of salary, monthly pension, wages, fee (including the fee for the members of the board of commissioners or members of supervisory board), monthly premium, overtime fee, allowances, waiting fee, compensation, spouse allowance, dependence allowance, cost of living allowance, extra allowance, special allowance, transport allowance, tax allowance, pension contribution allowance,

children education allowance, scholarship, insurance premium paid by the employer and any other routine income with whatever names.

- b. irregular received or accepted payment in the forms of production service, tantiem, gratification, paid leave, holiday bonus, bonus, annual premium, and any other income with irregular nature;
- c. daily wages, weekly wages, single wages, total wages;
- d. Pension Compensation Allowance, Separation pay, Pension Saving Allowance or Pension Assurance;
- e. fee, pocket money, prize or reward with any name or whatever form either commission, scholarship and any other means of payment related to a job, service or activities done by domestic Tax Payer consist of:
 - experts as referred to in Article 9 paragraph (7);
 - musician, presenter, singer, comedian, movie star, sinetron star, advertisement model, director, film crew, model,
 - catwalk model, play actors/actresses, sculptor, painter and other artists.
 - athlete;
 - attorney, teacher, trainer, preacher, instructor and moderator;
 - writer, scientist, and translator;
 - service provider in all fields including engineering, computer and its application, telecommunication, electricity, photograph, economy and social;
 - advertising agency;
 - superintendent, project coordinator, member and service provider of a committee, attendee of assembly or meeting and other freelancers in all fields of activity;
 - order deliverer or customer finder;
 - participants in a competition;
 - seller of things;
 - outdoor insurance agent;
 - participant in an education, training, and apprentice.
 - distributor in a multi-level marketing or direct-selling company and the kinds.

- f. Salary, extra salary, and other allowances related to the salary received by Government Officials, Civil Servant and pension money and other allowances related to pension money received by pensioner including the widow or widower and/or the children.

- Deducted Immaterial Objects

- a. insurance payment for health insurance company, life insurance, double insurance and scholarship insurance;
- b. income in the form of kindness and privileges.
- c. pension scheme paid to a pension fund raiser whose license has been legalized by the Minister of Finance and Retirement Fund that has been paid by the employer to Jamsostek organizer;
- d. income in the form of kindness and other privileges given by the government with any name;
- e. privilege in a form of paid tax by the employer;
- f. zakat received by the rightful individual from an amil zakat body or institution which is established and legalized by the Government.

- PPh paid by the Government

In accordance with Government Regulation Number 47 of 2003 and the Provision of the Minister of Finance Number: KMK-486/KMK.04/2003, since July 1st, 2003 it is regulated that:

- 1. PPh Article 21 in debt, for the gross salary of the employees up to Rp. 1.000.000,- per month is paid by the Government.
- 2. For the employee's gross salary up to Rp. 2.000.000,- per month, PPh Article 21 In Debt Paid by the Government only for the part that amounted Rp. 2.000.000,-.
- 3. For the employees with gross salary of above Rp. 2.000.000,- per month, Not included in PPh Article 21 concerning Debt Paid by the Government.

C. PPh Article 23

- Legal Standing

- Article 23 Law Number 17 of 2000;
- The Decree of Dirjen of Taxation Number 170/PJ./2002

- The Object of Deduction and Estimation of Net Income PPh Article 23

NO.	TYPES OF INCOME	NET INCOME PREDICTION
1.	Rent and other income related to usage of property mainly for transport on land.	20% of gross amount, not including PPN
2.	<p>Rent and other income related to the use of property except for rent and other income related to rent of land and/or building subject to a finalized Income Tax based on Government Regulation Number 29 of 1996, and the rent and other income related to the use of special property of transport on land.</p> <p>Rent and other income resulted from the use of property, except for rent and other income related to land leasing and/or building that subjected to finalized Income Tax based on Government Regulation Number 29 Of 1996, and other rent or income related to the use of special property of land transport vehicle.</p>	40% of gross amount, not including PPN
NO.	TYPE OF COME/SERVICE	NET INCOME PREDICTION
1.	<p>a. Professional service.</p> <p>b. Consultant service, except for construction consultant.</p> <p>c. Accountancy and bookkeeping services.</p> <p>d. Appraisal service.</p> <p>e. Actuary service.</p>	50% of gross amount, not including PPN
2.	<p>a. Technical and management services.</p> <p>b. Architectural/ design service</p> <ul style="list-style-type: none"> • Interior design service, and landscape 	40% of gross amount, not including PPN

	<p>design service;</p> <ul style="list-style-type: none"> • Machinery design and tool design services; • Transport / vehicle design service. • Advertising/logo design service; • Wrapper design service. <p>c. Installation Service</p> <ul style="list-style-type: none"> • Installation of machine, electricity/ telephone/ water/ gas/ AC/ Cable TV, except when executed by a Tax Payer whose field and job in construction business and holds a license/ certificate as a construction business person; • Installation of machine service; <p>d. Maintenance/ preservation/repair service:</p> <ul style="list-style-type: none"> • Maintenance/preservation/repair of machine, electricity/telephone/water/gas/AC/cable TV; • Maintenance/preservation/repair of tools; • Maintenance/preservation/repair of transport /vehicle; • Maintenance/preservation/repair of building, except if it is done by the Tax Payer whose field of works in construction has a license/certification as a construction business person; <p>e. Drilling service in oil and natural gas Mining field, except if it is done as a fixed business activity.</p> <p>f. Supporting service in the oil and gas mining field.</p> <p>g. Mining and its supporting service in other fields but oil and gas.</p> <p>h. Supporting services in the air transport and airport business.</p> <p>i. Forest clearing, including land clearing.</p>	
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	<ul style="list-style-type: none"> j. Waste processing/dumpster k. Maclon service. l. Recruitment/resource provider service. m. Intermediary service. n. Securities trading service, except if it is done by BEJ, BES, KSEI and KPEI. o. Custodian/deposit box/saving box service, except if it is done by KSEI and not includes rent of warehouse subject to finalized PPh based on <u>Government Regulation Number 29 of 1996.</u> p. Non-general telecommunication service. q. Film dubbing or mixing service. r. Information Technology including Internet service. s. Computer software related services, including the maintenance, preservation and repair. 	
3.	Construction provider service, including the maintenance /preservation/repair of building, installation service of machine, electricity/telephone/water/gas/AC/cable TV, as long as it is done by the Tax Payer whose field of work is in construction business that holds a license or certificate.	13 1/3 % of the gross income, not including PPN
4.	<ul style="list-style-type: none"> a. Construction planning service. b. Construction supervisory service. 	26 2/3 % of the gross income, not including PPN
5.	<ul style="list-style-type: none"> a. Bugs exterminator and cleaning services. b. Food catering service. c. Other types of service whose payment are placed in the State Income and Expenses Budget or the Regional State Income and Expenses Budget. 	10% of the gross income, not including PPN

Note: Outstanding PPh Article 23 is $15\% \times \text{Forecasted Net Income}$

D. Finalized PPh

In relation to Non-Bank PVA operational activities, we will only discuss the Finalized PPh concerning land and/or building only leasing.

1. Legal Standing:

- Government Regulation Number 5 of 2002 Jo Government Regulation Number 29 of 1996
- KMK No. 120/KMK.03/2002 Jo KMK No. 394/KMK.04/1996 Jo KEP-50/PJ/1996 Jo SE-22/PJ.4/1996
- KEP-227/PJ/2002

2. Object of Deduction and Tariff of Taxation

- The amount of obligatory PPh either deductively or paid in person on the income resulted from land/building leasing is 10% of the gross leasing value, for a body as tax payer, Fixed Form Business (BUT) or individual tax payer.
- The gross leasing value is the entire amount paid or in debt by the leasee in any name or form related to the lease of land and/or building. It includes the maintenance, preservation, security, other facilities, and service charge whether in a separated or unified agreement.

Examples of the Calculation of PPh Article 21

1. Saefudin is a full-time employee of PT Insan Selalu Lestari. He receives salary and allowance amounted Rp. 1,400,000 and pays the pension contribution amounted Rp. 25,000 per month. Saefudin is married with no children (status K/0).

a. Calculation of Outstanding PPh 21:

Monthly salary and allowances	Rp 1,400,000
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Deduction:

Official Allowance ($5\% \times \text{Rp. 1,400,000}$)	Rp 70,000
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Pension Contribution	Rp 25,000
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Rp 95,000

Monthly Net Salary

Rp 1,305,000

Annual Net Salary 12 x Rp 1,305,000		Rp 15,660,000
Annual PTKP:		
- for single Tax Payer	Rp 2,880,000	
- for married Tax Payer	Rp 1,440,000	
		Rp 4,320,000
Annual Taxable Income		Rp 11,340,000
Annual Outstanding PPh Article 21:		
5% x Rp 11,340,000		Rp 567,000
Monthly Outstanding PPh Article 21:		Rp 47,250
b. Calculation of PPh Article 21 paid by the Government		
Monthly salary paid by the Government		Rp 1,000,000
Deduction		
Official allowance (5% x Rp 1,000,000)	Rp 50,000	
Pension Contribution	Rp 25,000	
		Rp 75,000
Monthly Net Salary		Rp 925,000
Monthly PTKP:		
- for single Tax Payer	Rp 240,000	
- Addition for married Tax Payer	Rp 120,000	
		Rp 360.000,00
Monthly Taxable Income		Rp 565.000,00
Monthly PPh Article 21 paid by the Government:		
5% x Rp 565,000		Rp 28,250
c. PPh Article 21 that must be deducted by the contributor:		
= Rp 47,250 - Rp 28,250 = <u>Rp 19,000</u>		

2. Sudir Gunanto is a full-time employee in PT Jawa Sumatra Cemerlang. He received his salary in December amounted Rp. 1,200,000 and received one month bonus, amounted Rp. 1,200,000 and pays the pension contribution amounted Rp. 25,000 per month. Sudir Gunanto is not married. Because his income in December is totally more than Rp. 2,000,000 (salary Rp. 1,200,000 and bonus Rp.

1,200,000 that made up Rp. 2,400,000), then all of Sudir Gunanto's income is subjected to PPh Article 21 and must be deducted, paid and reported by the Employer. Therefore, in December there would be no Income Tax that is paid by the Government.

3. Sokhid is also a full time employee in PT Insan Selalu Lestari. He receives monthly salary and allowances amounted Rp. 900,000 and pays the pension contribution amounted Rp. 12,500 per month. Sokhid is married but has not got any children (status K/0). Because Sokhid's monthly salary is less than Rp. 1,000,000, then all subject to PPh Article 21 on the income will be paid by the Government.

4. THE CALCULATION OF DEDUCTION AS SUBJECT TO PPh ARTICLE 21 ON FEE, COMMISSION OF INDIVIDUAL TAX PAYER, PRODUCTION SERVICE RECEIVED BY FORMER EMPLOYEE, FEE FOR PART-TIME COMMISSIONER.

- a. Example of calculating of PPh Article 21 on a speaker's fee. Satriyono, MBA is a speaker in a day workshop held by a foundation, the paid fee is Rp. 2,500,000.

Subject to PPh Article 21: $5\% \times \text{Rp } 2,500,000 = \text{Rp } 125,000$

- b. Example of the calculation for PPh Article 21 on the commission paid to a seller and door-to-door insurance agent. Budi is a door-to-door insurance agent and he is a part-timer at PT Asuransi Raya. In January 2001, he received a commission of Rp. 1,500,000.

The calculation of PPh Article 21: $5\% \times \text{Rp } 1,500,000 = \text{Rp } 75,000$

- c. Example of calculation of PPh Article 21 on prize or appreciation related to competition. Reni is a professional tennis player and lives in Jakarta. She won the Indonesian Open tournament and receives a prize of Rp. 30,000,000.

The subject to PPh Article 21 for the prize of Indonesian Open tournament is:

$$5\% \times \text{Rp } 25,000,000 = \text{Rp } 1,250,000$$

$$10\% \times \text{Rp } 5,000,000 = \text{Rp } 500,000$$

$$\begin{array}{r} \text{-----} \\ \text{Rp } 1,750,000 \end{array}$$

- d. An example of the calculation of PPh Article 21 on the commission paid to Individual Tax Payer agent. Nugraha is the owner of Toko Sumber Rasa, and an individual agent of the products from PT Selalu Jaya. In January 2001, he received a commission of Rp. 40,000,000,00.

The calculation of PPh Article 21:

$$\begin{array}{rcl} 5\% \times \text{Rp } 25,000,000 & = & \text{Rp } 1,250,000 \\ 10\% \times \text{Rp } 15,000,000 & = & \text{Rp } 1,500,000 \\ & & \text{-----} \\ & & \text{Rp } 3,750,000 \end{array}$$

- e. An example of the calculation of PPh Article 21 on the commissioner fee for a part-timer. Made Budi is a commissioner in PT Abadi and he is not a full-timer. In December, he received a fee of Rp. 60,000,000.

The subject to PPh Article 21 is:

$$\begin{array}{rcl} 5\% \times \text{Rp } 25,000,000 & = & \text{Rp } 1,250,000 \\ 10\% \times \text{Rp } 25,000,000 & = & \text{Rp } 2,500,000 \\ 15\% \times \text{Rp } 10,000,000 & = & \text{Rp } 1,500,000 \\ & & \text{-----} \end{array}$$

Deduction for PPh Article 21 is Rp 5,250,000

REFERENCES

1. Bank Indonesia Regulation No. 6/1/PBI/2004 dated January 6th 2004 concerning Money Changer.
2. Act No. 15 of 2002 jo Act No. 25 of 2003 concerning Money Laundering Crimes.
3. Bank Indonesia Regulation No. 3/10/2001 concerning Know Your Customer Principles.
4. Act No. 24 of 1999 concerning the Foreign Exchange Flows and Exchange Rate System.
5. Act No. 23 of 1999 concerning Bank Indonesia.
6. Act No. 7 of 1992 jo Act No. 10 of 1998 concerning Banking.

7. The Decree of the Chief of Center for Financial Transaction Reporting and Analyzing Number: 2/5/KEP.PPATK/2003 dated October 15, 2003 concerning the Guidelines for Identifying Suspicious Money Transaction for Foreign Currency Trader and Money Distribution Business.
8. Statement of Financial Accounting Standards (PSAK) and the Interpretation of Statement of Financial Accounting Standards (ISAK) published by Indonesian Accountant Association (IAI)